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Health and Care Professions Council

Social Workers Transfer Project – Internal Audit Review

Internal Audit Year: 2018/19

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Distribution list

For action:

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Paul Cooper (Interim Head of Projects)

For information:

Marc Seale – Chief Executive Officer

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Audit Committee

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1   Executive Summary

Social Workers Transfer Project Review		Imp.	Low	Med.	High
	Findings raised	-	1	1	-

In January 2016, the then Secretary of State for Education and the Health Secretary of State announced that, as part of Government's social work reform programme, the Government would establish Social Work England (SWE) as a new, specialist regulator for social workers in England. Parliament has now approved the secondary legislation that is required to enable SWE to operate. The formal initiation of the HCPC project to manage the transfer of the regulation of SWE has been submitted to the Council. Due to the importance of this project, some of the work streams have started in conjunction to the formal project initiation and a Senior Project Manager has been appointed to lead the project. Following the project initiation, HCPC will now move into the build stage (project plan roll-out and monitoring and tracking project milestones).

We observed that the key individuals who are directly involved in the project have a robust understanding of how the project will be delivered and have identified the key risks that will need to be managed effectively during the delivery of this project. A Project Initiation Document (PID), which includes the project objectives, project plan, budget, risks, communications and resourcing plan, has been created. The documents have a good level of detail which will be used as the foundation to deliver the project as HCPC enter the build and close stage. Additionally, Project Board meetings are held on a monthly basis, providing senior team members with updates of the project status and provides a platform for discussion of the risks associated with the project. Meeting minutes are created and communicated promptly following the Project Board meetings. Further, interviews with the key individuals engaged with the project noted that, currently, there are no concerns regarding the level of resourcing which has been, and is planned to be, allocated as the project develops. We reviewed the resource plan that is in place and identified that resources are aligned to the roles and responsibilities stipulated in the HCPC Project Management Guide for major projects. We expect that the resource plan will evolve and be updated as HCPC approach the transfer date.

At the time of this review, the Project was at the Initiation stage, which involved the submission of the PID and overall Project set-up. The focus of this review was to assess how the project is currently being managed from a governance perspective, including monitoring, tracking and reporting within HCPC and to its key stakeholders (such as the DfE and the social workers). We also assessed the design of key project controls. This Internal Audit review did not be examine how the data migration will occur with respect to the readiness to transfer social workers' data from HCPC to SWE. HCPC should assess the risks involved in data migration and gain independent assurance that SWE have the capability to manage the data transfer in line with the agreed deadline for transfer. A good foundation has been established for the delivery of the project, and as this review was performed when the project was in the early stages, a follow up review in 2019 is recommended when HCPC will be much further in the project plan deliverables.

Our review identified two areas that HCPC should consider for improvement:

- **HCPC Project Management Guide** – the project management guide was last updated in January 2014. The guide is not periodically (at least annually) reviewed to ensure that the information in the guide is up to date and still relevant for major projects delivered by HCPC such as this project.
- **Risk Register** – As of 6th September 2018, review of the Risk Register noted that some sections were not fully completed, such as, Primary category (financial, reputational or public protection), risk area, date raised and escalation/decision group. Additionally, the HCPC risk matrix states "High Risk: Urgent action required. Medium Risk: Some action required." However, the actions for High and Medium risks are not time-bound and consequently do not provide an indication of when such actions should be performed by to mitigate the identified risks.

1.1 Background

The Internal Audit Plan for 2018/19 includes a project governance review in relation to the Social Workers Transfer Project ("Transfer project"). The Children and Social Work Act 2017 was granted Royal Assent on 27 April 2017, and involves establishing a new regulator for social workers in England, named Social Work England (SWE).

As at April 2018, 96,497 social workers in England were regulated by the Health and Care Professions Council (HCPC). It is expected from September 2019 that the SWE will be fully operational and will set the standards required for social workers. It will be accountable to both the Department for Education (DfE) and the Department of Health and Social Care (DoHSC), and will be overseen by the Professional Standards Authority (PSA).

Given the transfer of social workers, the DoHSC has agreed to a grant funding arrangement of £2.4 million, to cover the costs to the HCPC of the transfer. The Transfer Project is being managed by the DfE, however the HCPC are aware of their role in the project and are providing full cooperation to the DfE, whilst ensuring the management of the financial and reputational risks associated with the Transfer Project. As such, the HCPC formed a Project Board in July 2018 to oversee the Transfer Project from the HCPC's perspective. In addition, an interim Project Manager has been in post to manage the Project, including the transfer of social worker data to SWE. A full time Project Manager has been appointed by HCPC with the interim Project Manager due to leave his position. The Project team have established a communications team, who are working with the DfE, DoHSC and the social workers (registrants).

1.2 Scope and risk areas

This Internal Audit review assessed whether the Transfer Project is being managed effectively to ensure that it remains on track to be delivered by September 2019. The risk areas and descriptions against which this project was tested in this review are described below.

1. Project Board
   - The terms of reference for the Project Board are not fit for purpose, and roles and responsibilities are not formally documented or are unclear.

2. Monitoring and tracking
   - The Project is not being adequately monitored and tracked to determine the progress of the Transfer Project Plan, including the project costs against an agreed budget, which may lead to the Project not being delivered within the necessary internal budget, and external time frames determined by the DfE.

3. Communications
   - No communication plans are in place to provide updates to the social workers impacted by the change.

4. Reporting
   - No reporting processes have been created to enable HCPC to communicate progress of the Project to key internal and external stakeholders, leading to lack of visibility of progress and uncertainty.

5. Roles and responsibilities
   - Project team roles and responsibilities have not been created/documented and/or may not be adequately robust to deliver the Project, leading to project failure.

6. Resources
   - The Project does not have sufficient resources allocated to it to deliver to the agreed milestones. This scope item will mainly be considered through discussion with Management and review of any resourcing plans in place.

7. Project risk register
   - The Project risk register is not regularly updated with current and emerging risks.

1.3 Audit approach

Our outline approach to the audit was as follows:
- reviewing key project documentation
- interviewing key project team members
- highlighting areas of good practice within the project and areas for further development

1.4   Acknowledgement

We would like to take this opportunity to thank the staff involved for their co-operation during this internal audit.

2 Detailed findings

HCPC PROJECT MANAGEMENT GUIDE

Ref	Audit finding and potential risk	Issue rating	Agreed management actions
1.	**Good practice** Procedure guides are periodically reviewed to ensure that they are up to date and readily available to team members involved in the delivery of major projects. **Finding** When a major project is being delivered at HCPC, the HCPC Project Management Guide must be used which provides guidance on the HCPC specific processes that are to be followed throughout the delivery of the project. The Project Management Guide must be adhered to if a Project meets two or more of the following criteria: - Failure to deliver, or non-delivery of the project, would cause a risk to the reputation or operation of the business - The project involves 3 or more departments - The project has a significant public / political impact - The project involves a significant change to a business process - The project involves a significant change to a core technology system The transfer of Social Workers meets all but the last criteria point. The project management guide was last updated in January 2014. The guide is not periodically reviewed to ensure that the information in the guide are up to date and still relevant for major projects delivered by HCPC. At the time of the review, the project was in its early stages and Internal Audit did not identify any issues within the Guide. However, it is good practice to perform periodic review of the Guide and identify potential areas of improvements. **Risk** The project management guide may not be aligned to HCPC's current processes and ways of working. This could result in an adverse impact on the project delivery.	**Medium**	Management will review and approve the Project Management Guide on an annual basis to ensure that the information is up to date and the principles documented in the Guide are aligned to current working processes. Version control will also be maintained. **Date Effective**: Immediate **Owner:** Paul Cooper (Interim Head of Projects) **Management Response:** Management attest that this action point can be closed. Internal Audit will perform a follow up of the agreed management actions prior to the next review commencement.

MANAGEMENT OF RISK REGISTER

Ref	Audit finding and potential risk	Issue rating	Agreed management actions
2.	**Good Practice** The management of risks and issues is key to ensuring the successful delivery of a project. It is good practice to establish guidelines for the measurement of likelihood, impact and proximity (how soon the risk may materialise) and for combining these into an overall rating, generally using a Red, Amber or Green (RAG) status. It is important that those responsible for providing oversight to the project are provided appropriate overview, on a timely basis, of current risks and issues to enable them to determine acceptable mitigation or resolution. **Finding** The project risk register has a total of 59 identified risks, of which 22 are High Risks, 27 are Medium Risks and 10 are rated as Low Risks. The Risk Register has various information associated with each risk such as, Risk Area (which HCPC Department), Type (project or strategic risk), impact and likelihood assessment, mitigations, updates, dates raised and completed as well as current risk owner and risk status. The risk register also has actions, decision, issues and lessons learned logs. Review of the project risk register identified the following (as of 6th September 2018): • For three high-rated risks, the Risk Area column was not completed • For 56 risks (of which 46 are categorised as High and Medium Risk), the Primary Category (Financial, Reputational and/or Public Protection) column was not completed • For three risks (1 High and 2 Medium Risks), the Date Raised and Escalation/Decision Group columns were not completed • Review of the HCPC risk matrix, which is used to perform impact and likelihood assessment, identified that for High Risks, urgent action is required and for Medium Risk, some action is required. However, the actions are not time-bound and consequently do not provide an indication of when such actions should be performed by to mitigate the identified high and medium level risks. **Risk** In the absence of a fully completed risk register, appropriate and consistent assessment and management of risks and issues may not be performed. Further, without a clear definition of when actions should be performed, risks may not be mitigated in a timely manner leading to failure to deliver the project on time, on budget and to the required/agreed quality.	**Low**	Management will review the risk register to ensure that all sections are fully completed to provide a robust level of overview to the Project Board and all individuals involved in the delivery of the project. **Date Effective**: Immediate **Owner:** Loretta Okoh (Project Manager) **Management Response:** Management attest that this action point can be closed. Internal Audit will perform a follow up of the agreed management actions prior to the next review commencement. Management will review the risk matrix methodology and will ensure that the high and medium risks' action points are time-bound. This will help to monitor how effectively Management are mitigating the identified risks throughout the project lifecycle. **Date Effective**: Immediate **Owner:** Loretta Okoh (Project Manager)

A   Approach and responsibilities

Approach
Our outline approach to the audit was as follows:

- Meeting with key staff to gain an understanding of the arrangements in place, building upon the information we have already gained through our engagement planning process
- Reviewing key documents that have been developed to support the Transfer project and controls identified to determine whether they are appropriately designed to assess the associated risks
- Highlighting areas of good practice within the project and areas for further development

Client staff
The following staff were consulted as part of this review:

- Marc Seale – Chief Executive Officer
- Loretta Okoh – Senior Project Manager
- Paul Cooper – Interim Head of Projects
- John Barwick - Executive Director of Regulation
- Brian James – Head of Fitness to Practise
- Jacqueline Ladds – Executive Director for Policy and External Relations
- Lisa Sinclair – Acting Head of Communications

Documents received
The following documents were received and reviewed during the course of this audit:

- Project plan documents and project management guide
- Project board minutes and project board set-up documents
- Risk register
- Project roles and responsibilities document
- Government claims process (Project grant)
- Project budget
- Progress reports to The Council
- Stakeholder analysis planning
- Communications documents issued to HCPC employees

Locations
The following location was visited during the course of this review:

184 Kennington Park Road, London, SE11 4BU

B   Audit Issue Rating

Audit Issue rating

Within each report, every audit issue is given a rating. This is summarised in the table below.

Rating	Description	Features
High	Findings that are fundamental to the management of risk in the business area, representing a weakness in control that requires the immediate attention of management	• Key control not designed or operating effectively • Potential for fraud identified • Non-compliance with key procedures / standards • Non-compliance with regulation
Medium	Important findings that are to be resolved by line management	• Impact is contained within the department and compensating controls would detect errors • Possibility for fraud exists • Control failures identified but not in key controls • Non-compliance with procedures / standards (but not resulting in key control failure)
Low	Findings that identify non-compliance with established procedures	• Minor control weakness • Minor non-compliance with procedures / standards
Improvement	Items requiring no action but which may be of interest to management or best practice advice	• Information for department management • Control operating but not necessarily in accordance with best practice

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